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Grant-in-Aid To Universities

*A Survey of the
Education Department Rules, 1966*



EDUCATION COMMISSION
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(Part V)

GRANT • IN • AID TO UNIVERSITIES
BY STATE GOVERNMENTS

EDUCATION COMMISSION
MINISTRY OF EDUCATION
GOVERNMENT OF INDIA
NEW DELHI
1966

PREFACE

The Education Commission has taken up, for detailed examination, the problem of grant-in-aid to educational institutions in India. The object of this study is to ascertain the present practice of giving grant-in-aid to different types of educational institutions in the States and Union Territories and, on a comparison of these, to formulate recommendations for future action.

2. The study is divided into five parts;
- (1) Grant-in-aid to pre-primary institutions;
 - (2) Grant-in-aid to primary schools;
 - (3) Grant-in-aid to secondary schools;
 - (4) Grant-in-aid to Colleges of Arts and Science; and
 - (5) Grant-in-aid to Universities.

These areas were selected for study because, it is in them that private enterprise plays a very large and significant role.

3. I take this opportunity to thank Shri M.P. Balakrishnan, Research Officer of the Education Commission, for carrying out this study. I also would like to convey the gratitude of the Education Commission to the State Governments and Administrations of Union Territories who were kind enough to supply the basic data required.

New Delhi
1st January, 1966.

J.P. Naik
Member-Secretary

C_O_N_T_E_N_T_S

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System of Grant-in-Aid to Universities -
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A number of difficulties in respect of the different types of grants-in-aid (Pages 1-xvi indicate the types of grants) that are being received from State Governments, both for maintenance and development purposes, have come to light from the information furnished by the universities.

Block Grants: As indicated by most of the universities, the annual recurring block grants that are paid to them do not keep pace with the normal growth in the expenditure due to increase in the cost of administrative and academic staff, depreciation for buildings, replacement of equipment, rise in prices of chemicals and other essential articles. Financial requirements are thus not being adequately assessed before grants are released. Even in cases where block grants are fixed, they are not fixed on any scientific basis taking due note of current requirements and past averages with margins for normal expansion.

Rules or procedures have also not been clearly laid down for fixing the quantum of block grants and consequently they have remained stationary in many cases.

A few universities, no doubt, are taking into account the normal increase in expenditure but the percentage of increase in grant allowed is not enough to meet the difference between the actual

expenditure and actual income. Some of the universities have reported that they have been obliged even to hold up some of their routine items of expenditure like P.C.R. work due to paucity of funds. This has been mainly due to the fact that the block grants have not been revised for years. There are also cases where the annual increase which used to be 6% or so over the grant of any previous year, has been reduced to 3% putting the universities to difficulties. It has, therefore, been recommended by many universities that the annual increase in the maintenance grant should at least be raised to 10% to provide for normal increments and increase in administrative staff and teaching responsibilities of the university. They have also recommended that it is necessary to have a system by which the quantum of block grants will be revised periodically over three years or five years and it would be useful if such revisions coincided with the commencement of the successive Five Year Plans.

Some universities have suggested that the Government should follow the recommendations of the Inter-University Board in this connection viz. for the proper development of the higher education, the grants given by the States or the U.G.C. should be block grants fixed for a period of at least five years and it may be reviewed at the end of the period. The expenditure of a recurring nature in any Plan period must be the first charge on the funds of the U.G.C. or the State Government for the subsequent Plan periods.

A few universities have also suggested that the Government should accept the recommendations made by the Conference of Vice-Chancellors of the Southern Indian universities in 1963, that for the proper development of higher education the grants given by the States or the U.G.C. should be on a permanent basis and they should be processed by coordination and co-operation between the U.G.C. and the State Government concerned. The expenditure of a recurring nature in any Plan period which has necessarily to be continued, must be the first charge on the funds of the U.G.C. or the State Government in the subsequent Plan periods. Any further development must depend upon the funds that are made available to the universities over and above the committed expenditure.

Most of the universities have also supported a specific suggestion made by the Education Commission in its Questionnaire^{*} (pages 61&62) to the effect that there should be two types of grants; one for committed expenditure and the other for developmental expenditure. "The grant for committed expenditure should be given as a grant which should be revised every five years coinciding with each Five Year Plan. One year before a Plan is over, the State Government should negotiate the matter with each university and after examining the quantum of the committed expenditure of the university at the end of the Plan period and after making due allowances for the normal increase during

the next Plan period, a block grant should be fixed to cover all the committed expenditure of the university. If this is done in good time, it will also be possible for the State Government to submit their proposals to the Finance Commission and claim assistance from the Centre".

Committed Expenditure to be included in Block Grant:

The universities have further suggested that the State Governments should be moved to see that committed expenditure on each of the approved schemes is paid to them as soon as they become due and thereafter include them in the normal block grant at the time of review.

They have pointed out that the State Governments are reluctant to share the expenditure on non-teaching staff and contingencies and therefore the U.G.C. and the State Governments should come to an agreement and share such expenditure. Some universities have also informed that there are certain schemes which are of a non-recurring nature relevant to the developmental schemes, say development of the university campus and in such cases the State Government should meet the full expenditure.

Practice in Madras University: It is interesting to note that the block grant sanctioned by the State Government to the Madras University is distributed to the various Departments of the University as block grants. When the block grants from the

State Government is reviewed from year to year, the block grants to the different Departments are also reviewed likewise. This ensures the allocation of funds to the different Departments and if in any particular year the funds are not fully utilised by a Department, the unspent balance remains with that Department to be continued to the next year and the Department has full liberty to utilise it. Very often it is seen, in practice that in the case of indents for equipment, particularly from abroad, it is not possible to obtain them within a particular stipulated time. The system of distributing block grants among the Departments enables them to make such payments without asking for fresh grants. This is also the case when grants are given for library books, building materials etc. All the money that is sanctioned is not spent within the time stipulated and some of the payment can only be made in the subsequent year. This system enables the Departments to meet such situations without difficulty.

Delays: The difficulties experienced due to delays in the release of grants have been highlighted by a majority of the universities. Some of them have even reported that they are receiving grants from the State Governments towards the end of the financial year rather than at the beginning and have suggested that a part of such grants should at least be released at the beginning of the year as an "on-account" grant. There have been cases where State Governments charged

interest at the rate of 5% or so and thereby added unavoidable additional burdens on the universities when quarterly grants are released on demand. There are also examples where State Governments release Maintenance grants in instalments, say 50% in the month of April, 25% in the month of August and the remaining 25% after receiving a statement of account of the grants of the previous year in the month of December. There is need for a similar system of regular release of all the sanctioned grant to enable the universities to meet their maintenance expenditure without difficulty.

Matching Grants: The difficulties in obtaining matching grants from the State Governments have been mentioned by many universities and the plea to dispense with this system has also been made by some of them. If, however, this is not possible, the suggestion is that at the time of finalising the plans, the U.G.C. and the State Government should come to an agreement in this regard. The Allahabad University has suggested in this connection that the State Government should be persuaded to transfer the funds provided in their budget for matching contribution to the U.G.C. who should then release 100% development grants.

Building Grants: Grants for buildings are generally delayed as the procedure for releasing such grants is stated to be particularly complicated.

Equipment Grant: Equipment grants generally remain unutilised because of difficulty in obtaining necessary import licences and foreign exchange and this results in heavy spillovers.

Non-Plan Schemes: It is the practice in many universities to release grants for non-Plan schemes towards the end of the financial year although expenditure has to be incurred from the very beginning of the year, both by the university and the affiliated colleges. It has, therefore, been suggested that wherever grants for non-Plan schemes are given, arrangements should be made to convert them into statutory grants.

Loans: State Governments generally sanction loans instead of matching grants for construction of hostels and it is difficult for universities to pay the annual interest thereon. The State Government deducts the amount of the loan instalment and interest due from the grants payable to the universities. This puts the universities into hardship. It is necessary for the U.G.C. and the State Government to sanction outright grants instead of loans for this purpose.

Discontinuance of Assistance by the U.G.C.: Certain expenditure of a recurring nature which is shared by the U.G.C. on an agreed basis for a five-year period, has to be taken over by the State Government as committed expenditure as after the five year period is over, the assistance from the U.G.C. will

not be available thereafter. It will be necessary to merge such committed expenditure in the maintenance grant of the university.

Diversion of Funds: Certain universities are obliged to divert funds from the grants received from the U.G.C. or from their maintenance budget when they do not get the anticipated grants from the State Governments.

Specific Purposes: Some universities have pointed out that in practice no specific budget provisions are made by the State Governments for grants for specific purposes and very often administrative orders are issued for adjusting such grants from the basic maintenance grants. The very purpose of giving specific purposes grants will be lost if separate specific budget allocations are not made for the same.

Interest by Universities: One of the difficulties pointed out by a few universities is the question of payment of interest on quarterly advance grants released on demand by them. In such cases it has been stated that the State Government is charging an interest to the tune of five percent or so. This is an avoidable additional burden on the universities and when State Governments release the approved grant in instalments, it should not become interest-bearing.

Non-implementation of approved schemes due to uncertainty of assistance: In the case of such of the schemes for which the State Government expresses its inability to bear the financial responsibilities

after the assistance from U.G.C. ceases to be available, the universities have been obliged to suspend their implementation as they do not have their own resources to meet such expenditure.

Special grants for research: The need for sanctioning special grants for undertaking research projects has been emphasised by some universities.

Loss of Income by Universities: A few universities have pointed out their financial difficulties due to loss of income after the transfer of matriculation examination or the establishment of new universities in the areas where they had jurisdiction and have stressed the need to take into account such facts also while deciding the quantum of maintenance grants.

Ad hoc Grants: In the case of deemed universities the State Government is only giving some ad hoc financial assistance and a plea has been made that in such cases, same consideration as is being shown to universities, should be shown to deemed universities also.

Sponsored Schemes: Some universities have either started new departments or upgraded existing ones on the basis of 100% assistance from the Centre or the U.G.C. but the continuance of such assistance on a regular basis is not assured. A plea has, therefore, been made that the State Government and U.G.C. should come to some agreement to bear financial responsibility for such schemes.

GRANT-IN-AID TO UNIVERSITIES BY STATE GOVERNMENTS

A SUMMARY

(Pages 1 to 60 give universitywise details)

Name of the University	Types of Grants
------------------------	-----------------

ASSAM

1. Gauhati University

Annual recurring block grant;
Grant for specific schemes.

ANDHRA PRADESH

2. Andhra University

Monthly statutory grant;
Grant for specific purposes;
Annual development grant.

3. Sri Venkateswara University

Annual recurring block grant;
Additional annual grants to meet commitments of Second Plan, maintenance of certain institutions;
Annual grant towards compensation for loss in fee income;
Matching grants on developmental schemes.

BIHAR

4. Bihar University

Annual statutory grant;
Grants for Plan and non-Plan schemes through the Bihar State University Commission.

5. Bhagalpur University

--do--

6. Ranchi University

--do--

7. Patna University

--do--

8. Magadh University

--do--

GRANT-IN-AID TO UNIVERSITIES BY STATE GOVERNMENTS

A SUMMARY

(Pages 1 to 60 give universitywise details)

Name of the University	Types of Grants
------------------------	-----------------

ASSAM

- | | |
|-----------------------|--|
| 1. Gauhati University | Annual recurring block grant;
Grant for specific schemes. |
|-----------------------|--|

ANDHRA PRADESH

- | | |
|--------------------------------|--|
| 2. Andhra University | Monthly statutory grant;
Grant for specific purposes;
Annual development grant. |
| 3. Sri Venkateswara University | Annual recurring block grant;
Additional annual grants to meet commitments of Second Plan, maintenance of certain institutions;
Annual grant towards compensation for loss in fee income;
Matching grants on developmental schemes. |

BIHAR

- | | |
|-------------------------|--|
| 4. Bihar University | Annual statutory grant;
Grants for Plan and non-Plan schemes through the Bihar State University Commission. |
| 5. Bhagalpur University | --do-- |
| 6. Ranchi University | --do-- |
| 7. Patna University | --do-- |
| 8. Magadh University | --do-- |

GUJARAT

9. Gujarat University Fixed block grant for triennium, to be revised thereafter;
- Matching grants on approved development schemes.
10. Sardar Vallabh- Block maintenance grant for triennium;
bhai Vidyapeeth,
Vallabh Vidyanagar
- Matching grants on approved schemes.
11. Gujarat Vidyapith No grant by the State Government.
12. M. S. University of Block grants to be revised after three years.
Baroda
- Matching grants on approved development schemes.

JAMMU & KASHMIR

13. J & K University Total University Plan expenditure shared by the U.G.C. and the State Govt.

KERALA

14. Kerala University Basic grants to cover the gap between the revenue receipts of the University and normal maintenance expenditure;
- Grants for Plan and Non-Plan schemes.
- Grants for specific purposes.

MADHYA PRADESH

15. Indore University Maintenance grants;
- Developmental grants.
16. Ravi Shankar University Maintenance grants;
- Developmental grants.
17. Saugar University Maintenance block grant;
- Matching grants on developmental schemes.

18. Vikram University, Maintenance grant;
Developmental grant.
19. Indira Kala Sangeet Vishwavidyalaya, Maintenance grant.
20. Jawahar Lal Nehru Krishi Vishwavidyalaya Grants to cover all estimated expenditure on the institutions transferred in 1964 as constituent units of the University.
Grants for establishment charges.
(Rules regarding grant-in-aid have not yet been finalised).

MADRAS

21. Annamalai University, Annual recurring block grant under Section 43 of the University Act.
Other grants towards general funds, building and equipment.
22. Madras University Annual block grant;
Adhoc grants for specific purposes.

MAHARASHTRA

23. Bombay University Block grant
Grant for specific purposes.
24. Nagpur University Annual block maintenance grant.
Depreciation grant.
Developmental grant as matching share.
25. Marathwada University Maintenance grant equal to the deficit.
Matching share on approved schemes.
26. Poona University Block maintenance grant;
Development grant.

27. Shivaji University

Ad-hoc grant-in-aid.

28. S. N. D. T. Women's University

Annual maintenance block grant;

Grant for matching contribution approved schemes.

29. Tata Institute of Social Sciences

Ad-hoc grants.

MYSORE

30. Bangalore University

Annual Block grant (started in 1964 only)

31. Karnatak University

Fixed block grant

Grant for development schemes.

32. Mysore University

Non-lapsable grant under Section 34 of the Mysore University Act;

Grants for specific purposes;

Grants for developmental schemes approved by the State Government.

33. University of Agricultural Sciences, Bangalore.

Non-lapsable grant on the basis of expenditure incurred.

34. Indian Institute of Sciences, Bangalore.

Annual recurring grant from State Govt. of Mysore, Madhya Pradesh, Madras, Andhra Pradesh and Kerala.

ORISSA

35. University of Agriculture & Technology.

Annual statutory grant

PUNJAB

36. Kurukshetra University

Maintenance grant;

Grant for developmental activities.

37. Panjab University

Grants sanctioned by the State Legislature for the University;

Developmental grants.

38. Punjabi University

Ad-hoc grant-in-aid.

39. Agricultural University

Annual grant-in-aid on the basis of approved budget of the University.

RAJASTHAN

40. Rajasthan University

No properly defined system of grant-in-aid. Grants are given on an ad-hoc basis, a portion of which is used as matching grant.

41. Jodhpur University

Grant-in-aid on the basis of budget of the 4 colleges handed over to the University.

Additional grant for developmental purposes.

42. Birla Institute of Technology & Sciences, Pilani.

Grant-in-aid for recurring and non-recurring expenditure for development schemes.

UTTAR PRADESH

43. Agra University

Annual recurring block grants.

(The general formula of assessing grants on the basis of the difference between the approved expenditure and income of the University has not been applied for this University).

44. Allahabad University

Annual maintenance grants on the basis of estimated approved expenditure minus approved income subject to be adjusted on the basis of actuals later.

Recurring and non-recurring grants on specific schemes.

45. Banaras Hindu University
Annual recurring grant for schools and colleges and other institutions maintained by the University - only nominal financial role.
Recurring and non-recurring annual financial assistance to the hospital attached to the local medical college.
Discretionary grant for specific purposes.
46. Roorkee University
Normal grants
Developmental grants
47. Gurukul Kangri Vishvavidyalaya, Hardwar.
No grants from the State Government.
48. Kashi Vidyapeeth, Varanashi
Ad-hoc maintenance grants
Matching share for developmental schemes.
49. U.P. Agricultural University, Pantnagar.
Ad-hoc recurring maintenance grant.

WEST BENGAL

50. Calcutta University
Annual statutory grant;
Grant as compensation for loss of income.
Developmental grant.
51. Jadavpur University.
100% assistance for existing schemes.
Matching share on schemes approved by the U.G.C.
52. Rabindra Bharati
Grants sanctioned by the State Government on the basis of the requirements of the University.
-

SYSTEM OF GRANTS IN AID TO UNIVERSITIES

ASSAM

(1) Gauhati University

The State Government gives annual recurring grants to the University besides sanctioning funds to specific schemes. The University also receives grants from the U.G.C. against approved schemes.

Difficulties

The university is facing difficulties to implement development schemes as grants are released by the State Government towards the end rather than the beginning of the financial year. Some of the important schemes included in the development programme of the University had to be suspended because of the delay in releasing allocated funds by the State Government and by the U.G.C.

There should be only one authority for auditing University accounts though grants are received from the State Government and the U.G.C. The present practice of audit by more than one agency is creating difficulties.

The annual recurring grants should be revised after every five years on the basis of the financial requirements of the University.

It should be for the university to determine the priority of the schemes to be implemented.

The U.G.C. is releasing grants only on the basis of progress reports of expenditure incurred on individual schemes and the University is not in a position to meet this expenditure from its own

resources in the first instance and claim reimbursement subsequently from the U.G.C. The U.G.C. should also release its share in one or more instalments without insisting on payment of matching share by State Governments or Universities in the very beginning.

When a scheme is approved by the U.G.C. an ad-hoc grant of 25% of the total expenditure of the scheme should be paid to the University. Matching share from the State Government or the University should not be insisted upon at least for schemes of development of Teaching Department, Youth Welfare and residential accommodation of staff.

The University should get an annual recurring block grant for general maintenance which could be revised from time to time on the basis of normal increase in expenditure.

When the quantum of grant available to the University for a particular Plan period is decided it is necessary to see that this is not reduced subsequently.

The University is facing financial difficulties due to loss of income after the transfer of matriculation examination and the establishment of a new University at Dibrugarh.

For 1964-65 the State Government sanctioned a grant of Rs. 32.4 lakhs and the U.G.C. sanctioned Rs. 61.97 lakhs in three years i. e., 1961-64.

Andhra Pradesh

2. Andhra University

The State Government sanctions three types of grants:-

- i) Statutory grants which are paid monthly.
- ii) Grants for specific purposes.
- iii) Annual development grants.

Difficulties

Monthly drawal of statutory grants is disadvantageous as now and then the University is put to inconvenience due to shortage of funds. To avoid this, it is necessary for the State Government to release a portion of the grant in advance on an ad-hoc basis.

Equipment grants generally remain unutilised because of difficulty in obtaining necessary import licences and foreign exchange resulting in heavy spill overs.

Grants for buildings are generally delayed because of U.G.C.'s insistence on submission of plans and estimates with a certificate from the local PWD and of the embargo not to proceed with the work until the plans and estimates are approved by U.G.C.

Another difficulty is that the State Government is not paying the recurring grants due to the University from 1959-60.

The State Government has sanctioned a development grant of Rs.15 lakhs for the plan period, the amount to be released annually being Rs.3 lakhs.

(3) Sri Venkateswara University, Tirupati:

The University receives the following types of grants from the State Government.

- i) Block grant (recurring) of Rs.6.5 lakhs per year.
- ii) Additional block grant of Rs.10 lakhs to meet the commitments made in Second Five Year Plan which are projected in the Third Five Year Plan.

- iii) Annual grant of Rs. 60,000/- towards maintenance of Oriental Research Institute.
- iv) Annual grant of Rs. 70,000/- towards compensation for fee income.
- v) Recurring and non-recurring grants towards the maintenance of Engineering College.
- vi) Matching grants on developmental schemes of the University.

Difficulties

Block grants are inadequate. The University is finding it difficult to meet its share of expenditure to implement the schemes sanctioned by the U.G.C. on matching basis.

BIHAR

(4) Bihar University

All grants from the State Government are routed through the Bihar State University Commission. All proposals for grants including matching share to grants from the U.G.C. are examined by the State Commission and on the basis of its recommendation released to the university.

Difficulties

Each scheme sanctioned by the U.G.C. has to be referred to State Government and the State Government then decides whether to sanction matching share or not. In many cases it becomes difficult to obtain matching grants in time and as a result many sanctioned schemes are not executed in time.

The affiliated colleges are not able to avail themselves of facilities extended by the U.G.C. because of the State Government's inability to sanction matching grants. For certain programmes

like starting of I. 39. The State Government is sanctioning the same amount which they used to sanction several years back whereas actual expenditure has increased considerably from year to year. Such recurring grants should not be static but should be revised and based on actual expenditure.

The U.G.C. generally releases grants in small instalments which occasionally result in the suspension of implementation for a considerable time, for want of funds.

Procedure for releasing building grants is particularly complicated. At least 75% of each grant should be released by U.G.C. immediately after sanction of each project.

Following grants were sanctioned by U.G.C.

<u>1961-62</u>	<u>1962-63</u>	<u>1963-64</u>	<u>1964-65</u>
Rs.	Rs.	Rs.	Rs.
4,74,051	7,09,775	12,71,551	5,10,590

(5) Bhagalpur University

Two types of grants are given by the State Government.

- i) Annual Statutory grant;
- ii) Grants for Plan and Non-Plan Schemes.

Difficulties

The statutory grants released quarterly by cheques are generally received after the end of the quarter and the university faces much difficulty in meeting the expenditure during this period. These grants should be released in two instalments - the first in April and the second in October.

Grants for Plan and Non-Plan schemes are generally released towards the end of the financial year although expenditure has to be incurred from the beginning of the financial year both by the university and the affiliated colleges. Grants for non-plan schemes should be converted into statutory grants. Grants for new schemes should be sanctioned in advance.

The State Government generally sanctions loans instead of the matching grant for construction of hostels and the University finds it difficult to pay the annual interest thereon. The State Government deducts the amount of loan - instalment and interests out of the grants payable to the University. This practice needs to be discontinued and the U.G.C. and the State Government should sanction outright grants for the purpose.

Matching shares for a number of schemes approved by the U.G.C. are not made available with the result such schemes are either delayed or left unimplemented. The practice of sanctioning development schemes by the U.G.C. on the recommendation of the Visiting Committee is a time consuming approach and this delay can be avoided if the visiting Committee could be made to visit universities six months before the commencement of the Plan period. The Committee should revisit the university for necessary adjustments later on.

Annual statutory grant is Rs. 8,27,670/-. U.G.C. has sanctioned the following grants.

<u>1960-61</u>	<u>1961-62</u>	<u>1962-63</u>	<u>1963-64</u>	<u>1964-65</u>
5,459	1,09,281	1,62,449	5,79,921	20,02,074

(6) University of Ranchi:

Grants are routed through the Bihar State University Commission. Following types of grants are sanctioned:-

- i) Statutory grant.
- ii) Grants for development and expansion of science teaching.
- ii) Grants for postgraduate teaching.
- iv) Grants to meet the additional cost due to implementation of 3 year degree course.
- v) Grants for specific purposes viz. development/deficit/building grants for affiliated colleges; for land acquisition for the university; construction of buildings; purchase of furniture etc.

Difficulties

State Government's approval for matching funds takes a long time. It would be helpful if the matching grant is done away with. The U.G.C. takes a long time to release grants.

Grants received from U.G.C.

	<u>1961-62</u>	<u>1962-63</u>	<u>1963-64</u>	<u>1964-65</u>
Recurring	-	1,89,607	8,000	2,00,000
Non-recurring	31,000	2,99,215	4,66,586	3,07,533

(7) University of Patna

Grants are routed through the Bihar State University Commission. The types of grants as are sanctioned to other universities in the State are sanctioned to this university as well.

No difficulty has been mentioned.

(8) Magadh University

Grants are routed through the Bihar State University Commission. Following grants are sanctioned.

- i) Annual recurring statutory grant released in four equal instalments to include all such expenses as are not of capital or non-recurring, for the maintenance of colleges and universities.
- ii) Additional grants to the University Fund for expansion and development of the University & Colleges.
- iii) Additional grants for specific purposes.
- iv) Ad-hoc grants.

Difficulties

Grants are received long after the close of the financial year. Sometimes State Government imposes restrictions which do not tally with the proposal of the U.G.C. The State Government takes a long time in providing matching funds for schemes sanctioned by U.G.C. The system of payments by the U.G.C. also needs review. If the U.G.C. and the State Government could decide on the development schemes in advance and also decide their shares to be sanctioned to the university there may not be any difficulty in their implementation.

Following amounts were sanctioned by U.G.C. from 1961-62 to 1964-65:-

Recurring

Rs. 7,73,826

Non-recurring

Rs. 11,20,614

GUJARAT

(9) Gujarat University

Following grants are sanctioned by the State Government:

- i) Fixed Block grants for triennium to be revised thereafter.
- ii) Matching grants for schemes approved by U.G.C.

Difficulties

Block grants are not sufficient to meet annual deficit. It is fixed for 3 years and does not take into consideration the increase in the expenditure due to normal expansion. While calculating the quantum of Block grant an annual increase of 10% over the expenditure of the previous years should be allowed. The State Government take a long time to accord its financial sanction for providing matching funds to schemes. There is also uncertainty as there are schemes for which sanctions have been refused for matching funds by the State Government.

There should be reasonable flexibility to provide for increased cost of labour and building materials in the building projects approved by U.G.C.

Development schemes should all be entirely financed by the U.G.C.

Rs. 5,08,023 has been fixed as Block grant for triennium commencing from 1964-65.

Funds sanctioned by U.G.C. are:

	<u>1961-62</u>	<u>1962-63</u>	<u>1963-64</u>	<u>1964-65</u>
Recurring	157414	120703	216004	435743
Non-recurring	432360	2424115	1484575	957087

(10) Sardar Vallabhbhai Vidyapeeth, Anand

Following types of grants-in-aid are sanctioned:

- i) Block Maintenance Grant for the triennium commencing from 1964-65 calculated on the basis of expenditure incurred during 1961-62 both for maintenance & teaching.
- ii) Matching grants on schemes approved by U.G.C.

Difficulties

Block maintenance grant does not provide any amount for promotion or increase in salary scales of staff - teaching and administrative.

Increase in normal expenditure is not taken into account while fixing the Block maintenance grant.

A provision for an annual minimum rise of 10% on the expenditure of previous year is necessary.

It is desirable for the U.G.C. to sanction grants 'on account' or in advance to avoid delays and their consequential difficulties.

Since contribution from the State Government is received at a much later stage after the expenditure is incurred and the U.G.C. has paid its share, there is a great deal of difficulty to manage. 'On account' grants should therefore be given by the State Government also.

Grants received from U.G.C. during 1961-62 to 1964-65:-

<u>Recurring</u>	<u>Non-recurring</u>
4,06,603	35,79,377

11. Gajarat Vidyapith, Ahmedabad

No grant is paid by the State Government. The Union Ministry of Education has agreed to give Maintenance Grant through the U.G.C. The U.G.C. gives recurring and non-recurring Development grants.

12. M.S. University of Baroda:

Following types of grants are received by the University from the State Government:-

i) Block grants which are revised after every 3 years.

ii) Matching grants on schemes approved by U.G.C.

Difficulties

In fixing the quantum of block grants the normal rate of increase in expenditure has not been taken into account. Increase in the cost of administrative and academic staff has also not been taken into account. Provisions for normal depreciation and replacement of equipment as also for depreciation for buildings have also to be made.

The quarterly payment of Block grants is inconvenient as income from other sources is received only twice in a year. The University is charged interest at 5% per annum on the quarterly advance grants which the State Government is giving to it at its request. The interest on the ways and means of advances is avoidable additional burden on the University and it would increase efficiency if one year's full Block grant is paid to the University on the 1st of April every year.

The Block grant also does not take into account any foreseen and unexpected increase in expenditure.

While the grants are received from the U.G.C. promptly for the approved schemes the insistence on Utilisation Certificate from the Examiner; Local Funds Account through the University, should be discontinued and instead the Commission should ask for such certificates from the Examiner directly, as the audit is conducted by the staff of the Examiner Local Funds Account at their convenience.

The insistence on the matching share from the State Government or the University against approved development schemes is creating difficulties for the University and very often it is obliged even to obtain overdrafts from banks, which compels the University to pay interest on such over Drafts @ $8\frac{1}{4}\%$. The practice of implementing the Standing decision to pay the matching share for all the schemes approved by the U.G.C. is no longer there. In some cases the State Government has not even agreed to bear their matching shares. It is, therefore, necessary to obviate all difficulties by doing away with the system of matching grants. If for some reason this is not possible the State Government must take a policy decision to provide matching grants for all the approved schemes and since 'On account' grants are released by the U.G.C. it should pay its corresponding shares immediately. The State Government should be moved to see that committed expenditure on each of the approved schemes is paid to the University as soon as it becomes due and

thereafter get it included in the normal Block grant at the time of review.

Block grants should be reviewed after every three years.

Following funds have been sanctioned by U.G.C. 1961-62 to 1964-65:-

	<u>2nd Five</u> <u>Year Plan</u>	<u>3rd Five</u> <u>Year Plan</u>	<u>General</u>	<u>Grand Total</u>
Recurring	1618616	957836	687999	3264452
Non-recurring	1418250	2619583	5400	4043233

JAMMU & KASHMIR

13. Jammu & Kashmir: Total

Total outlay and respective shares of the U.G.C. and the State Government are indicated in the University plans which are examined and approved by the State Governments and U.G.C.

Difficulties

No specific difficulty.

Following funds were sanctioned by U.G.C.

	<u>1961-62</u>	<u>1962-63</u>	<u>1963-64</u>	<u>1964-65</u>
Recurring	25,000	19,500	34,000	1,28,500
Non-recurring	4,85,000	3,44,867	1,55,000	8,32,332

KERALA

14. Kerala University:

Four types of grants are received from State Government:-

- i) Basic grants to cover the gap between the universities, revenue receipts and normal maintenance expenditure.
- ii) Grants for Non-Plan Schemes.
- iii) Grants for specific purposes.
- iv) Grants for Plan Schemes.

Difficulties

The maintenance grants called basic grants is a fixed amount revised from time to time but the amounts for these grants are not fixed on a scientific basis taking into account current requirements, past averages with margin for normal expansion. So much so the maintenance expenditure becomes a burden on the slender resources of the University, while the State Governments do give sanctions of grants for specific purposes. In practice no specific budget provision is made for such purposes in the State Government budget and an administrative order for adjusting such grants for specific purposes from the basic grant. This is a defeating provision and therefore does not help the University. Unless the grant for specific purposes become available to the University as apart from the basic grant which is a fixed amount for meeting maintenance expenditure it will not provide any relief to the pressure on the meagre resources of the University. As regards

the Plan Schemes the contribution for the State Government to the University is allocated in the provision made by the State Government in their annual budget irrespective of the actual requirements of the University according to its own budget. It is, therefore, necessary to revise the procedure of the existing system of grant-in-aid from the State government on the following basis:-

(1) The basic grant for each Five-Year Plan should be fixed during the last year of the preceding Five-Year plan period with reference to the average increase of the revenue gap for three years immediately preceding the year in which it is so fixed with sufficient margin for normal expansion of activities.

(2) Specific provision should be made in the State government's budget for grants for specific purposes.

(3) The State Government should meet the full share of the plan expenditure which is not covered by the grants from U.G.C.

For the speedy implementation of the plan schemes on agreed basis a tri-partite high level conference of representatives of the university, the State Government and the University Grants Commission who are empowered to take decision in this behalf should be the mechanism. So that there will be close coordination amongst the universities, the State Governments and the U.G.C. and the schemes finally decided will have the full approval of the grant giving authority and the schemes, therefore, will not be held up.

MADHYA PRADESH

15. University of Indore

University receives two types of grants from the State Government:-

- i) Maintenance grants.
- ii) Development grants.

Since the University came into being only on the 1st May, 1964 no serious difficulties can be pointed out at this stage. The U.G.C. has sanctioned no grant so far. It has not been possible for the University to get U.G.C. grant even for the setting up of a printing press.

	<u>1964-65</u>	<u>1965-66</u>
Maintenance Grant	Rs. 2 lakhs	Rs. 3 lakhs
Development Grant	-	Rs. 2 lakhs.

16. Jiwaji University, Gwalior

The University gets maintenance grants in instalments according to orders of the State Government. The first instalment which is equal to 50% of the maintenance grant paid in the previous year, is released in the month of April. The Second instalment equal to 25% of the maintenance grant is released in August. The third instalment equal to the remaining 25% is released after the receipt of audited statement of accounts for the previous year in December.

Maintenance grants should be revised after every third year and the amounts should be released in instalments by the State Government without any audit certificate, as the whole amount has to be made available to the University before December every year.

The grant for committed expenditure should be revised after every third year instead of every five years as at present. Before any scheme is implemented it is necessary to decide the quantum of assistance that will be given by the U.G.C. and the State Government for developmental purposes. This is very necessary for the speedy implementation of the development schemes. The share of the State Government and the U.G.C. should be released to the University in advance every half year. The expenditure on non-teaching staff and contingency for the developmental schemes should be shared by the U.G.C. and the State Government.

(17) Ravishankar University, Raipur

Two types of grants are received from the State Government viz.,

- i) Maintenance grant &
- ii) Development grant

Since the University was established only in May 1964 the grants from the State government are fixed on an adhoc basis. The maintenance grant is released in two instalments. The second instalment is being released only on receipt of the statement of accounts showing that the amount of the first instalment has actually been spent.

Difficulties

The State Government does not give a separate grant as State contribution to its matching share for each of the approved schemes. The University does not know the total amount that will be given by the State Government during a Plan period. There is also no phased programme for release of funds. It is, therefore, necessary for the University to know in advance the quantum of assistance that it will be receiving from the State Government as also from the U.G.C. to plan its programme in a phased way so that implementation could be ensured within the schedule time.

(18) Saugar University

The State Government makes an annual provision in its budget for two types of grants; (a) Maintenance block grant; (b) matching grant for defraying expenditure on developmental schemes.

The maintenance block grant is at present being released in three instalments, 50% by May-June, 25% in October-November and the remaining in February-March. The matching grants payable by the State Government are calculated after taking into consideration the total expenditure incurred by the University on the developmental schemes up to the previous financial year and the expenditure likely to be incurred during the current year and the total grant paid up during the previous year. On the schemes approved by the U.G.C. the State Govt.

shares the expenditure on a 50:50 basis. On the Schemes for which no grant is available from the U.G.C. the State Government shares with the University the expenditure on a 50:50 basis.

Difficulties

1. No rules or procedure have been laid down by the State Government for fixing the block maintenance grant in the case of Saugar University. The block maintenance grant of Rs. 10 lakhs was fixed for the year 1958-59 and since then this grant has been stationary. Consequently the University is running in deficit.

2. The matching grants for the implementation of the developmental schemes are not released on a cent per cent basis and whatever is released is generally at the end of the financial year. This puts the University in a difficult position.

It is, therefore, necessary for the State Government to revise the block maintenance grant at least every three years taking into account mainly the amount involved in the annual increments of the Staff members, expenditure towards the appointment of additional staff and the rise in commodities etc. The grant should be paid in not more than two instalments. The first instalment in April-May and the second in September-October.

Regarding the matching grants in respect of developmental schemes the budgeted amount should be paid at the commencement of every year at an ad-hoc basis to be followed by the details of account in due course.

It is also necessary for the State Government to release matching grants on a cent per cent basis as the University has no resources to find any matching share.

The University endorses the recommendation made by the Inter-University Board of India made in this connection, that "for the proper development of the Higher Education the grants given by the States or the U.G.C. should be a block grant fixed for a period of at least 5 years and which may be reviewed at the end of that period. Such grants in future should be processed by the cooperation and coordination between the U.G.C. and the State Government concerned.

The expenditure of the recurring nature in any Plan period which has necessarily to be continued for obvious reasons must be the first charge on the funds of the U.G.C. or the State Government for subsequent Plan period.

That any further development must depend on the funds that are made available to the University over and above the committed expenditure guarantee for matching grants can not be given by Universities as the Universities have not the requisite funds at their disposal.

Resolved, therefore, that the U.G.C. and the State Government should come to an agreement in this regard."

The financial problems of the University are massive and entirely of a different character. The unified grant-in-aid rules of the State Government

for non-government educational institutions which are primarily meant for schools will not, therefore, serve the purpose in the case of Universities. Apart from Government and U.G.C. grants, the source of income to the Universities are primarily; (1) Students' fees and charges; (2) interest on endowment funds if any; and (3) special donation of general character or for specific purpose,

Most of the Universities do not have any endowment funds. Income from special donation has completely withered away and dried up. Income from fees and student charges will only meet a fraction of the total budget. It is, therefore, necessary for the Universities to depend on the State support for carrying on their activities. It is, therefore, necessary for the Government to take up the entire financing of the Universities, taking the income from fees as deductibles for determining the quantum of grants. Special grants should be given for research purposes.

19. Vikram University:

The University receives from the State Government maintenance grant and developmental grant.

The maintenance grant is released in three instalments, first instalment being 50% by April-June, second instalment being 25% by July-September and the remaining 25% after the submission of audited account only of the preceding financial year by the month of March. The procedure of releasing maintenance grant being on the basis of actual expenditure of the

previous year. The matching grant from the State Government is usually released only in the month of March.

Difficulties

The maintenance grant being paid by the State Government is inadequate looking to the heavy expenditure of the University. The maintenance grant of Rs. 5 lakhs was fixed at the time of establishing the University and it needs reconsideration. Since the developmental expenditure of the previous year becomes the maintenance expenditure of the succeeding year it is very necessary to review the maintenance expenditure periodically and on a regular basis.

The University has no additional financial resources at its disposal to take up developmental programmes. It has no endowment or reserve funds of its own. It can also not count on the matching share of the State Government which will be forthcoming only towards the close of the financial year.

This leads to diversion of fund from the share received from the U.G.C. "on account grant" or from the maintenance budget of the university making it difficult to implement schemes within prescribed time schedule, and on the required scale.

It is necessary to review the quantum of maintenance grant at least once in 4 years. The present practice of releasing maintenance grants on the basis of past expenditure should be replaced by a system of block grant to be made available to the University at the beginning of every year. The matching grant may also be released at the beginning of every financial year.

There is need for establishing a tripartite consultative committee consisting of representatives of the University, U.G.C. and the State Government concerned for quick disposal of grants payable to the University on different schemes.

20. Indira Kala Sangeet Vishwavidyalaya, Khairagarh

The University gets a maintenance grant of on lakh every year which is released in three instalments.

21. Jawahar Lal Nehru Krishi Vishwavidyalaya, Jabalpur

Since the University was established only on the 1st October, 1964 by taking over Agricultural and Veterinary Colleges from the State Government, rules regulating the grants of this University have not yet been finalised. The State Government, however, has transferred the entire budget provision less expenditure actually made to cover the estimated expenditure on the institutions transferred as constituent units of the University. The State Government is also giving grants for the establishment charges of the University. The grant sanctioned for 1965-66 is being paid into half-yearly instalments.

Difficulties

In the absence of any initial ad-hoc grant or loan to provide ways and means it is very difficult for a new University to organise its activities according to plan.

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Difficulties

In the absence of any initial ad-hoc grant or loan to provide ways and means it is very difficult for a new University to organise its activities according to plan.

The State Government sanctions an annual recurring block grant of Rs. 11.613 lakhs under Section 43 of the University Act, and subject to such conditions as may be agreed upon.

The State Government may contribute from time to time further sums of money towards general funds or towards buildings and equipment.

Difficulties

The block grant now sanctioned by the State Government is inadequate to meet the present needs of the University. The increase in recurring grant does not keep pace with the increase with the normal maintenance expenditure of the University. The University has consequently to face a deficit.

The main sources of income for the University have been tuition fees, interest from securities and the recurring grant from the State Government and which has been possible for the State Government till 1957-58 to balance its budget and meet its committed expenditure. Because of the abnormal increase in prices of commodities like chemicals, equipment, stationery, printing etc., and also due to the amount which the University has to contribute as matching share for developmental schemes sanctioned by the U.G.C., the University started incurring deficit from 1958-59 onwards. It is necessary, therefore, to move the State Government for sanctioning increased annual recurring grant commensurate with the increase of expenditure of the University. If, however, the

State Government is unable to find funds, the Central Government should allocate the necessary funds to the State Government for disbursement to the University. The University is finding it difficult to find matching share for the development grants sanctioned by the U.G.C. The U.G.C. contributes 2/3rd of the non-recurring expenditure on approved schemes and one-half of the recurring expenditure but does not accept any responsibility for continuing its share of recurring expenditure after the Plan period. This will virtually deny opportunities for development, expansion and research work to a unitary and residential university. The suggestion of the University regarding grant-in-aid from the State Government is as follows:-

(1) The State Government should sanction two types of grants to universities - (i) grants for committed expenditure; (ii) grants for development expenditure.

(2) The grant for committed expenditure may be given as a grant which should be revised every 5 years coinciding with each Five Year Plan. One year before a plan is over, the State Government should initiate the matter with each university and after examining the quantum of the committed expenditure of the University at the end of the Plan period and after making due allowance for normal increase through the next Plan period, a block grant should be fixed to cover all the committed expenditure of the University. If this is done in good time which is possible for the State Government to submit this proposal to the

Finance Commission and claim assistance thereon from the Centre.

(3) During the Plan period the development grant would normally come through the U.G.C. The share of the State Government on these ground should be made available without any difficulty. A quick and effective machinery should be devised for tripartite consultation on the subject by the University, the State Government and U.G.C. at appropriate occasion.

(4) The question of matching grant and continuance of recurring expenditure beyond the Plan period was considered at the meeting of the Vice-Chancellor of the Southern Universities held on 2nd and 3rd November, 1963 and the following recommendations were made:-

(i) The Conference of the Vice-Chancellors of Southern Indian Universities have come to the conclusion, that, for the proper development of the higher education the grants given either by the State or the U.G.C. should be on a permanent basis. While they are thankful for the grant that have already been given, they feel that such grants in future should be processed by cooperation and coordination between the U.G.C. and the State Government concerned.

(ii) The expenditure of a recurring nature in any Plan period which has necessarily to be continued by obvious reasons must be the first charge on the funds of the U.G.C. or State Government for subsequent Plan period.

(iii) Any further development must depend upon the funds that are made available to the University

over and above the committed expenditure.

(iv) Guarantees for matching contributions cannot be given by the Universities as they have not the adequate funds at their disposal. The U.G.C. and the State Government should come to an agreement in this regard.

23. Madras University

The grants to the University by the State Government based on a system of block grant every year which is alterable on account of additional needs. Apart from this ad-hoc grants for specific purposes are also sanctioned by the State Government. At present the University is receiving annually a block grant of Rs. 19 lakhs which is paid in equated monthly instalments. The block grant sanctioned by the State Government is again distributed to the various departments of the university as block grants. When the block grant from the Government is renewed from year to year the block grants to the different departments are also renewed likewise. This ensures a definite allocation of funds to the different departments and if in any particular year the funds are not utilised to the full the rest of the block grant to the department is continued for the next year and the department can utilise it. It often happens when indents are placed, particularly for equipment from abroad they cannot be obtained within that year.

This system of distributing block grants among the departments enables the departments to make such

Difficulties

While there is no difficulty in getting the grants sanctioned to University it is facing a few problems.

According to the demand of the U.G.C. Third Plan pay Scales have been given to all the teachers of the University, the whole system of showing separately the University Scale and additional allowances sanctioned by the U.G.C. was discontinued under instructions from the U.G.C. and in all cases Third Plan pay scales have been implemented. If, therefore, any reduction is made by the U.G.C. of the grants in the Fourth Plan unless covered by the increased grants from the State Government it will raise serious problems to the University.

Certain departments like up-graded department of Physics, Botany, Philosophy, Management Studies, Architecture which have been started and being run wholly because the U.G.C. have given the full grants for these departments either by itself or through the Education Ministry, cannot be run if the grants so generously forthcoming in lieu of them are suddenly stopped. It is, therefore, necessary for the U.G.C. or the State Govt. to adopt the system of block grants for running such departments.

The University is also facing a difficulty regarding audit. While the University takes every care to see that the sums of money allotted to it for various purposes are spent for such purposes within the stipulated time it sometimes happens

particularly in the case of grants given for the library, books, equipment and even buildings that all the money sanctioned are not spent within the period stipulated, and some of the payments can actually be made only in the subsequent financial years. The Audit has made the practice that every year the unspent balance is returned to the U.G.C. This will complicate matters as the University has to meet the committed expenditure and the bills thereto as and when they come has to be paid by the University. Such situation should not arise particularly for this University which has taken all the trouble to see that there is no diversion from one head to other without prior approval of the sanctioning authority. Since the development plans of the University are considered fully at the commencement of the each Plan period with the representatives of the U.G.C. and the State Government in tripartite discussion there have been no difficulties in obtaining State assistance or the assistance from the U.G.C. The Finance Commission has already been met by the Vice-Chancellor of the University and the urgent need to allot funds to cover its committed expenditure so that the Third Plan scales of pay of teachers may be continued unmitigated has been brought to the notice of the Commission also.

MAHARASHTRA

24. Bombay University

The State Government pay a block grant annually. It also sanctions specific purposes grant-in-aid.

Difficulties

The decision in the matter of fixing the basis for the payment of block maintenance grant is being taken by the Government very late. In the case of development schemes approved by the U.G.C. for which the State Government is expected to provide matching share, as also the whole maintenance cost if the assistance from the U.G.C. is stopped, the State Government takes a good deal of time (2 to 3 years) to take necessary decision in the matter, with the result the University is always in suspense as to whether the Government would at all come forth with the matching share or the maintenance cost. In the circumstances no programme of development can be undertaken unless the University is sure to meet such expenditure from its own fund which is hardly possible with its limited resources. If for every assistance offered by the U.G.C. the Universities were to wait till the government agrees to pay the matching share or the maintenance cost, immediate acceptance to the assistance offered by the U.G.C. is not possible. However, in the absence of any firm commitment in advance from the Government the University is experiencing a number of difficulties in preparing its annual budget estimates. The University, therefore, feels that there should be two types of grants, grants for maintenance expenditure and grants for development expenditure.

While in the first year of the implementation of a particular scheme the Commission releases "on account" grant merely on the basis of the estimated

costs, in the subsequent years the procedure of the U.G.C. tends to be rather rigid. Unless and until all the information such as : Statement of actual expenditure during the previous year, estimated expenditure for the current year, statement of income from fees, number of admission, expenditure on maintenance together with a detailed statement of actual and estimated expenditure - persons and items month-wise are submitted to it no further grants are released. While this procedure may be unavoidable it is also seen that although the accounts are fully audited in detail by the Government auditors and consolidated statement of accounts prepared by the University Office and duly verified by them is submitted to the Commission along with early audited report, yet the U.G.C. has been insisting upon a statement of accounts in respect of each and every scheme duly audited by the Government auditors and also a utilisation certificate. This procedure needs to be simplified.

25. Nagpur University

The University receives three types of grants from the State Government; (1) block maintenance grant, which is received by the University in two instalments every year. There is also an increase of 3% every year over the previous year's assistance; (2) Depreciation grant - this is based on depreciation of costs of buildings and the machinery; (3) Development grant - the State Government sanctions the matching grant for the various development schemes approved by

the U.G.C. during the Plan period. The sharing is based on 50% in the case of recurring expenditure and 33.1/3% in the case of non-recurring expenditure on the building and equipment.

Difficulties

The University is experiencing difficulty in getting matching grant from the State Government in time. The State Government should release the matching grant as soon as the schemes are sanctioned by the U.G.C.

26. Marathwada University

The State Government releases two types of grants: (1) Maintenance grant which is equal to the deficit and (2) matching share on approved schemes. Since the State Government is meeting annual deficit of the University, there is no need to change the existing grant-in-aid system to the University.

27. Poona University

The State Government sanctions a block maintenance grant which is fixed periodically for a certain number of years. Formerly it used to be fixed for a period of three years at a time but from the beginning of the Third Five Year Plan it is fixed for a period of 5 years.

While formerly an annual increase of 6% used to be allowed for the block maintenance grant of the preceding year for each successive year. This annual increase is now only 3% from the beginning of the Third Five Year Plan. Apart from the maintenance grant the State Government sanctions development

grant on the schemes approved by the U.G.C. as and when necessary. Since the maintenance grants fixed by the Government are not adequate the University is facing difficulties. Unless the annual increase on the maintenance grants is raised to at least 10% to provide for normal increments and normal increase in administrative staff and the teaching responsibilities of the University it will not be possible for the University to carry on this programme properly. The grant for committed expenditure should be given as a grant which should be revised for 5 years coinciding with each Five Year Plan. Certain expenditure of a recurring nature which is shared by the U.G.C. on an agreed basis for a 5 year period at the end of which the 100% liability is taken over by the State Government as a committed expenditure, should at an appropriate time be merged in the maintenance grant of the University.

The State Government should bear 100% liability of recurring expenditure when the assistance from the U.G.C. stops. It is necessary for the State Government to have preliminary discussions with the University concerned regarding funds required for supporting University and higher education before it submits its claim to the Finance Commission.

28. Shivaji University, Kolhapur

Grants are at present paid on ad-hoc basis since the system of grant-in-aid is yet to be decided as the University has only been recently established. The University gets 'On Account Grant' from the U.G.C.

The State-Government, however, will release its share only after the U.G.C. share has been utilised in full. It is necessary for the State Government to sanction its contribution simultaneously with the U.G.C. grant as an 'On account grant' to avoid difficulties. This has now been accepted by the State Government in principle.

There is need to have two types of grants; (1) Maintenance grant; and (2) Development grant.

29. S.N.D.T. Women's University, Bombay

The State Government gives maintenance grants as block grants for a period of three years with an annual increase of 6% of the basic grant of the previous year. The maintenance grant is released by the State Government in two instalments. The maintenance grants given by the State Government provide only an annual increase of 6% irrespective of the mounting deficits of the University. Further the quantum of the "block grant" is not reviewed by the State Government at the end of the Plan period. While fixing the maintenance grants it is necessary to take into account the income and expenditure of the University and it should be raised at least by 10% every year. This should be in addition to taking over of the entire financial liabilities to which the University is committed for maintenance schemes approved by the U.G.C. The State Government does not sanction matching share on many of the schemes approved by the U.G.C. which is causing considerable strain on the financial resources of the University.

30. Tata Institute of Social Sciences

The bulk of the grants comes from the Tata Trust and the Central Government, The State Government has also been giving an ad-hoc grant of Rs. 25,000 per year for the last few years.

Difficulties

The problems in respect of grant-in-aid in this institution arise primarily because of the ad-hoc nature of the grant and also because of the fact they fall short of the total requirements. Till now, deficit of the institute has been borne by the Tata Trust but with the change in the status of the institute the Trust can no longer be expected to take the entire burden of the deficit. The whole question of the annual block grant has also to be based on a periodical assessment of the needs of the institute.

It is necessary for the Central Government to treat institutions like this on a par with the Central Universities and to provide them with block annual grants which should be revised from time to time. The U.G.C. should make available development grants from one Plan to another as it does in the case of Universities.

The Committed expenditure in developmental projects should be absorbed in the revised block grant provided by the Central Government. It can reasonably be expected that the Trusts or Voluntary Agencies which have so far supported institutions will commit themselves to the continued support of these institutions at the level they supported them prior to the

time when the institutions were up-graded as the deemed Universities.

MYSORE

31. Bangalore University

The State Government sanctions an annual block grant for the maintenance expenditure of the University which is released quarterly. Since the University came into existence only in November, 1964 it is too early to give any indication of the type of difficulties that have to be overcome.

32. Karnatak University

The State Government sanctions a fixed block grant as recurring maintenance grants for the university which is being revised periodically. The present quantum of maintenance grants was fixed on the recommendation of a special committee called Mudaliar Committee appointed for the purpose. This is due for revision again after the completion of the Third Five Year Plan.

Apart from this, the State Government also sanctions grants in respect of developmental schemes for which a Five Year Plan is prepared coinciding with the Five Year Plan of the State Government. The developmental schemes consist of recurring as well as non-recurring items and the university gets grants from the State as its matching contribution. There are certain items however, which are of a non-recurring nature relevant to the developmental schemes mainly relating to the development of the university campus and the State Government has to meet this expenditure on a 100 per cent basis. The grants allotted by the

State Government to the University do not normally bear a direct relation to the expenditure to the incurred by the University during a particular year. The State Government makes a lump sum provision each year for the developmental schemes of the university depending upon its own resources with the result that the university does not get very often adequate grant from the State Government for meeting its liabilities. The university, therefore, is required to persuade the State Government to sanction additional grants almost every year.

It is, therefore, necessary that at the commencement of the plan period itself the quantum of developmental grants payable by the State Government is fixed. The State Government might then suitably phase the yearly allocations against this overall expenditure and provide funds for this in their annual budgets. This would ensure financial suitability for the developmental plans of the university.

33. Mysore University

The grant-in-aid from the Government of Mysore to the University of Mysore is governed by Section 34 of the Mysore University Act, 1956 which provides as below :

"Subject to the provisions, the Government shall every year make a non-lapsable grant to the university consisting of an amount equal to the average of the grants made to the university for a period of 3 years immediately preceding the commencement of this Act

and in respect of a Government college transferred to the university an amount equal to the net expenditure incurred by the Government for that college during the year preceding such transfer. If the Government after an enquiry is satisfied that there is a reduction or increase in the expenditure of any university, it may, in consultation with the Syndicate, increase or reduce the grant as the case may be.

"The Government may also make such grants to the University for any specific purpose as the Government deems fit."

"The university shall furnish such statements of accounts, reports and other particulars before any grant is made by the Government within the time and in such manner as the Government may direct."

The State Government also sanctions grants for developmental schemes undertaken by the university with the concurrence of the State Government and where financed both by the U.G.C. and the State Government in an agreed ratio.

Difficulties

There is difficulty about grants received from the U.G.C. in respect of expenditure on additional staff. Such grants towards salaries of the additional staff appointed under the developmental schemes approved by the Commission is for a period of five years from the year of sanction, but the actual period during which the universities will receive the recurring grants from the U.G.C. will be considerably less than five years mentioned above. Because of procedural delays

for example the additional staff (Professors, Readers, Lecturers, others) sanctioned by the U.G.C. in April, 1962 could be appointed only in March, 1965. As not only the approval of the U.G.C. was necessary, but the approval of the State Government, University Syndicate, Academic Council and the Senate, all had to be obtained before steps for selecting the incumbents could be taken up with the result that a scheme for which assistance was sanctioned for five years was actually available to the University for only about two years. To overcome such difficulties, it is necessary that the U.G.C. gives recurring grants for a period of five years from the year of implementation of any developmental scheme approved by the Commission.

34. University of Agricultural Sciences, Bangalore

The State Government is required to give an annual non-lapsable grant on the basis of actual expenditure incurred in 1961-62 on the institutions transferred to this university plus the expenditure as the State Government considers necessary for the proper functioning of the university.

Difficulties

Any time the university is in need of funds, the State Government has to be approached leading to delays and unnecessary avoidable correspondence. Leaving the quantum of additional assistance to be decided solely by the State Government is undesirable and will lead to uncertainties and indirect pressures from the Government on the universities. The suggestion of the university is that on a particular

date to be specified by the Government, the budget estimate may be submitted by the university. The Government may be in a position to accept the proposals and grants made on the accepted basis within a specified period of not more than two months. If the Government have any points on which clarifications have to be sought, they could be discussed in a joint meeting between the Finance Minister and his colleagues and the officers and the Vice-Chancellor and other representatives of the university. It should not be left to the unilateral or arbitrary judgments of any one or more officers of the State Government in such matters. The university supports the suggestion that there should be two types of grants - one for maintenance and the other for development purposes.

35. Indian Institute of Science, Bangalore

The Institute receives annual recurring grant (to the tune of 1.22 lakhs) from Governments of Mysore, Madhya Pradesh, Madras, Andhra Pradesh and Kerala on the basis of provisions in the State budgets. The amounts are paid every year on bills submitted by the Institute to the Education Departments of the concerned State Governments.

The procedure for block grants for this Institute is as below. The Institute receives block grants from the Central Government and the necessity for increasing the same after a particular period of time which now coincides with the Five Year Plan is done by the Reviewing Committee of the Institute and as such there is no need for any other mechanism. The block grant

received from the U.G.C. was about 56 lakhs in the year 1964-65 and the non-recurring grant received was 61.94 lakhs.

ORISSA

36. University of Agriculture & Technology, Bhubaneswar

According to the Orissa University Agriculture & Technology Act, 1961 (OUAT Act) "There shall be a general fund of the university to which shall be credited contributions or grants made by the State or the Central Government. The State Government shall sanction in favour of the University an annual grant not exceeding Rs. 50 lakhs."

After the university was established in the year 1962 two colleges were transferred to the control of the university. Due to difficulties in the matter of grant a new Bill, has been passed by the Orissa Legislative Assembly according to which a certain minimum guaranteed amount (Rs. 25 lakhs) is to be given to the university as lump sum grant and additional sums required are to be given subsequently by the State Government.

PUNJAB

37. Kurukshetra University

There are two types of grants sanctioned by the State Government - one for maintenance and the other for developmental activities. The State Government also gives matching share for schemes approved by the U.G.C. Besides this, it sanctions

developmental programmes which are not sponsored by the U.G.C.

Difficulties

Since Government sanctions their share of expenditure in respect of schemes approved by the U.G.C. only after the schemes have been implemented, there is considerable difficulty for the university. It is necessary, therefore, for the State Government to make advance payment of their share of expenditure so that schemes could be taken up for expeditious implementation.

38. Panjab University

The grants are voted for the university by the State Legislature and provided in the budget estimates of the Education Department. The Education Commissioner after obtaining the approval of the Governor conveys the sanctions on the recommendations of the Director of Public Instruction, Punjab. The grants so sanctioned are paid to the University through the local treasury on presentation of receipted bills duly counter-signed by the Director of Public Instruction.

Difficulties

The present system is time-consuming and the university has to pass through various processes in the A.G's office and the D.P.I.'s office for getting payment. The system needs immediate change so that grants can be paid directly to the university through drafts.

In the case of matching funds, the university has been providing them from its own funds. The

State Government also has been paying the annual grant of Rs. 5 lakhs for expansion purposes which the university has been utilising for matching funds.

39. Panjabi University

At present grants are sanctioned by the State Government on an ad hoc basis. The Government usually meets the deficit in the budget of the university on a year to year basis.

Difficulties

Generally grants are released by the State Government by instalments. Since the university will be able to overcome a number of difficulties if the first instalment of the grant is released at the beginning of the year.

40. Agricultural University, Ludhiana

Usually the papers for sanctions of the grant-in-aid are submitted in the preceding year. The schedules are examined and the amount sanctioned included in the budget proposals of the State Government. On the basis of the approved budget administrative sanction for the grant-in-aid for the whole year is issued by the State Government and the grants are released quarterly.

Difficulties

Since the grant so sanctioned is not released in time the university has to face a number of difficulties to meet its financial commitments. To overcome the difficulties and to avoid delays in releasing funds, it will be useful to consider the

idea of authorising the Accountant General, Punjab to release the amount in quarterly instalments.

RAJASTHAN

Rajasthan University

There is no properly defined system of grant-in-aid from the State Government to the University. Grants are given on an adhoc basis. A portion of it is used as matching grants against the grants received from the U.G.C. The State Government generally releases grants in three equal instalments every year.

Difficulties

At the time of formulation of Plan proposals the State Government does not hold any discussions with the University about its plans. Funds for the developmental programmes are not received in time and consequently some of them have to be held up. No advance payment is made by the State Government to help the University to take up sanctioned projects. It is not always possible for the University to first incur the expenditure from its own resources and claim reimbursement thereafter as the resources are always meagre. On many occasions the University has been required to overdraw funds from its bankers on account of limited resources and consequently has to bear heavy interest charges.

In the absence of a clearly defined system of grant-in-aid to the University the account of the University do not depict a clear picture about the items of Plan and non-Plan expenditure.

To overcome all these difficulties the

following suggestions have been made by the University:-

(1) At the beginning of each Five Year Plan period the State Government, should discuss developmental proposals of the University in detail clearly indicate the total grants that should be provided for the Plan period. It should also indicate what would be the Plan and non-Plan items. The system of matching grants by the State Government should be dispensed with and the State Should sponsor certain specified schemes and bear full responsibility for the same. The present practice of giving grants after the expenditure has been incurred by the University is unsatisfactory and, therefore, it is necessary for the State to give at least 25% of the State assistance to be made available as a Lump Sum ways and means advance in the remaining of the year, free from interest.

The grant may be made quarterly but each instalment should be paid in the beginning of each quarter.

It will also be useful if for all the recurring and non-recurring items of expenditure U.G.C, also initially releases 25% of the assistance as ways and means advance. It would further help the University if the U.G.C. sponsors certain schemes and takes full financial responsibilities for the same. The University considers it necessary to have two types of grants from the State; one for maintenance and other for development.

42. Jodhpur University

The State Government gives grant-in-aid to the University on the basis of the budget of the four colleges handed over to the University. A 5% increase of the budget is allowed every year taking 1962-63 as basic year for this purpose. Apart from this a small additional amount is provided for development purposes which falls far below the requirements of the University. The grant is released in three instalments on furnishing the utilisation certificate for the previous amount received.

Difficulties

The University has always to make separate requests every time for the release of grants. If the State is under financial difficulties it is reflected in the issuing of the sanctions also. The State Government gives grant according to its budget provision without taking into account the requirements of the University as assessed by the U.G.C. Since the University has no resources of its own it is not able to undertake projects sanctioned by the U.G.C. for the non-availability of matching funds. Delays in approval and sanctions of the new schemes at the State level consume the better part of the academic session and teaching.

The University thinks that grant-in-aid should be given in lump sum for the whole session. It should be related to the previous year's budget or the total plan and non-plan expenditure of the University. There

should be a high level granting committee for new schemes approved by the U.G.C. Greater coordination should be established between the State Government and the U.G.C.

The U.G.C. should give direct grant to the University on a ratio basis both for plan and non-plan schemes and debit the amount to the respective State according to a worked out formula. Plan budget for the Universities should be provided keeping in view the number of students in each University.

43. Birla Institute of Technology

The State Government gives to the institute grants both for recurring and non-recurring expenditure for developmental schemes. The expenditure on such schemes is shared on an agreed basis by the State Government, the institute and the Central Government.

Difficulties

There is administrative delay for receiving grants from the State Government. Grants for developmental schemes are sanctioned only for a period of 5 years or Plan period and they have to be renewed thereafter. The Institute is experiencing difficulties in renewing grants when it becomes the entire responsibility of the State Government to take over the Central Government's share also, after the initial period of 5 years is over. Since all developmental schemes are permanent commitments to the Institute, it is necessary for the State Government to make regular grant-in-aid, preferably in a consolidated lump sum form which will enable the

Institute to adjust its finances and budgets. The Institute considers it necessary to have two types of grants from the State Government; one for the committed expenditure and the other for development expenditure. It would be more feasible if grants for different developmental schemes are consolidated as far as possible.

UTTAR PRADESH

44. Agra University

The State Government gives recurring grant-in-aid to the University in the nature of a block grant which works out to be of Rs. 1.17 lakhs. According to the general formula of assessing the grant-in-aid to all Universities of the State, the State Government is expected to the excess of approved expenditure over the income of the University. This rule, however, is not being followed in the case of Agra University, ^{that} with a result the University finds it difficult to make up the deficit in the accounts. This is necessary every year because the Social Sciences Institute and KAM Institute of Hindi Studies and Linguistic and Teaching Institutes of this University and the University finds it difficult to meet the deficit from savings. When from 1966-67, two more universities will start functioning at Kanpur and Meerut, the income of Agra University from fees is bound to fall to almost to 1/3rd. This will make impossible for the University to contribute any

thing to the two teaching institutes and also to the library, staff and books. It is, therefore, necessary for the State government to assess the financial requirements of this University on the following lines:-

The recurring grant-in-aid should be assessed and it should be equal to the difference of the expenditure over income.

45. Allahabad University

The State Government gives the annual maintenance grants to the University on the basis of estimated approved expenditure minus the estimated approved income subject to adjustment in the subsequent years on the basis of actual income and actual expenditure. Apart from this the State Government also gives recurring and non-recurring grants to finance specific schemes approved by the Government and the University. The University is facing the difficulties because the assessment of maintenance grants made by the U.G.C. does not take into account the actual needs of the University.

It is based on the assessment made in 1956-57 when the University had 7,000 students on its role. The University is now obliged to meet its commitments to take overdrafts and loans. There is considerable delay in releasing grants by the State Government. The financial maintenance grant payable to the University is assessed after the accounts of the University have been audited by Examiner, Local Funds Accounts and some times this is done after a lapse of several years.

Some times due to inadequacy of funds it has not been possible for the University to start timely P.C.R. work and get replacement of equipments, arrange electric and gas installation and furniture and meet other unavoidable needs. It is necessary therefore, for the State Government to fix the quantum of grants taking into consideration number of teaching and non-teaching posts, other expenses necessary for teaching and research of students on role by treating the entire income from fees etc., as approved estimated income to the University. It will be better if the State Government constitutes a Standing Small Visiting Committee, consisting of an educationist and the financial expert to visit the University once every quarter and in consultation with the Vice-Chancellor and treasurer, decides the financial needs of the University and the recommendations of such committees be accepted invariably by the Government for implementation. The block grant for the University should be made available in four instalments by April, June, September and December. The State for the University should be made available in four instalments by April, June, September and December. The Government or U.G.C. should give grants to wipe out the present deficit in the University's finances. A number of developmental programmes are not actually taken up for implementation because of delays mainly at the State Government level. Therefore, there is need to change the present system of financial assistance to such programmes. The

State Government has been providing in its budget the matching share towards the developmental schemes of the University sanctioned by the U.G.C. If the State Government is persuaded to transfer this amount to the U.G.C. and the U.G.C. is requested to give grants to the University on a 100% basis, there would not be any delay in the implementation of any of the approved schemes.

46. Banaras Hindu University

Being the Central University, most of the grants are received from the Central Government in the form of block grant and various development grants. The Government of Uttar Pradesh plays only the nominal role in the matter of financial assistance to this university. Every year the State Government approves a recurring grant for the schools and colleges and other institutions maintained by the university e.g. Teachers' Training College, Central Hindu High School for boys and girls. The recurring grant approved by the State Government is released in instalments. Besides, the State Government also gives necessary financial assistance, recurring and non-recurring, for the beds maintained in the S. S. Hospital attached to the local college of the university. The State Government also approves some discretionary grants to the university on request for specific purposes.

Difficulties

Funds sanctioned by the State Government are received very late due to non-receipt of authority-slip from the Office of the Accountant General, U.P.

Most of the grants are released by the State Government at the end of the financial year and the university finds it difficult to collect the funds from the Treasury after complying with all formalities before the end of the financial year. It would, therefore, facilitate matters if the system of release of funds by the State Government is changed so that the University may receive grants in the form of cheques or demand drafts.

47. University of Lucknow

The State Government gives grant to the University on an annual basis after deducting an amount equal to the difference between the estimated income and the estimated expenditure on approved items. It also sanctions matching shares on schemes approved by the U.G.C.

Difficulties

The system of giving grant-in-aid is such that the University is left without any resources to meet its legitimate and unavoidable expenditure. There are certain items of expenditure which have to be incurred by the University due to rise in prices of commodities like chemicals required for the laboratories etc., but no grant is given by the State Government for such items for lack of prior approval by the State Government. It is difficult for the University to seek the approval of the State Government on such unforeseen items and at the

same time it is also not possible for the University not to incur such expenditure which is necessary for the day-to-day working of its teaching departments.

It would, therefore, be useful if a block grant is fixed for the University based on the total actual expenditure of the last 5 years after deducting the actual income with a sufficient cushion for future development. This block grant should be exclusive of the provision required for the development of the University under Plan Schemes. For this purpose Government should provide separate grant on the basis of schemes approved by the U.G.C. The procedure of block grant should be reviewed after every 5 years.

47-A. Aligarh University

The State Government sanctions recurring annual grant-in-aid to the University and its Women College and Tibbia College as fixed grant. Apart from this the State Government also sanctions recurring and non-recurring grant for equipment, furniture, books etc., for the high schools run by the University.

48. University of Roorkee

The State Government gives two types of grants (i) normal and (ii) developmental. The normal grant pertains to expenditure in respect of teaching and non-teaching staff and other heads of expenditure, committed recurring items of Second Plan Schemes, recurring grants in respect of postgraduate and degree course, which are now to be financed on a 100 per cent basis by the State Government as committed expenditure. Developmental expenditure includes State Government's share in respect of the schemes sanctioned by the U.G.C., on a sharing basis and also such of the schemes for which 100 per cent assistance is to be found by the State Government. While the university has no difficulty in obtaining the maintenance grants, difficulties are being experienced in getting developmental grants released. The clearance of developmental schemes, to be taken up from the U.G.C. to the State Government, takes inordinately long time. Even if funds are released, expenditure on staff and building could only be incurred after obtaining prior approval of the State Government to the creation of posts and the specific approval towards the construction of buildings. These time consuming year to year developmental grants should be released by the State Government as a block grant and as soon as a particular scheme is approved by the U.G.C. and/or the State Government, the university should be allowed to incur expenditure on the

approved items of the sanctioned schemes. The State Government has already two types of grants - maintenance as well as developmental. The university agrees with the proposal that the total quantum of committed expenditure should be decided for a period of 5 years coinciding with the commencement of successive Five Year Plans. It will facilitate speedy implementation if all the developmental grants are released by one agency.

49. Gurukul Kangri Vishwa Vidyalaya, Haridwar

No grants are received from the State Government by the University.

50. Kashi Vidyapeeth, Varanasi

The State Government gives an ad-hoc maintenance grant of Rs. 2 lakhs since 1961-62. It is released in quarterly instalments. The procedure for release of grant adopted by the State Government is very cumbersome and time-consuming. Since almost all the educational institutions in the country have to depend on the State assistance for all expenditure on developmental schemes, it would be proper that the U.G.C. takes upon itself the question of settling with the State Governments the expenditure on development schemes which each university will undertake. Very often the universities are placed in awkward situations. The U.G.C. accords approval and sanctions grant on a certain percentage basis for a scheme which is taken up by the institution, but it is given up half way because subsequently it discovers that the matching

share from the State Government will not be forthcoming. It is, therefore, only appropriate that the U.G.C. should reserve its approval until it has held consultation with the State Government and managed 100 per cent assistance for any of the schemes which has its approval.

51. U.P. Agricultural University, Pantnagar

The State Government sanctions recurring maintenance grants on an ad hoc basis. From 1964-65, however, the recurring and non-recurring requirements of the university are assessed by the State Government through an ad hoc financial sub-committee.

Difficulties

The process of assessing the recurring and non-recurring requirements by the State Government takes unduely long time and some times the financial year will almost come to a close and yet the assessment of the committee would not be available. This has consequently prevented the university from getting adequate grant from recruiting the required staff. As a matter of fact this lack of clarity in the procedure to be followed for giving grant-in-aid to the university has led the teaching research and extension programme of the university to lag behind. Since the State Government is not in a position to provide satisfactory financial assistance to the university, the Central Government or any of its agencies like the ICAR or the UGC could extend financial support for the programme of the university.

WEST BENGAL

52. Calcutta University

Under the Calcutta University Act, 1951, the State Government makes a grant of 16 lakhs to this university. The State Government also pays a further sum of Rs. 5½ lakhs as compensation for the loss of income due to transfer of responsibility for holding Matriculation Examination to the Board of Secondary Education, West Bengal. This statutory grant is subject to satisfactory audit report. It is difficult to submit the audit report immediately after the expiry of the university's financial year on 30th June and draw the grant before March next when the financial year of the State Government closes. It is not possible to manage the audited report between June and March. It is, therefore, necessary to amend the Act suitably so that payment of statutory grants during a financial year can be made after considering the audit report of the year of the previous financial year. Developmental schemes are prepared by the university and sent direct to the U.G.C. for approval. If the U.G.C. adds matching condition, the State Government is immediately approached for help. The State Government takes a long time to come to a decision in the matter. This has resulted in long delays in implementing the schemes in the Second Plan period. During the third Five-Year Plan period the State Government did not sanction any matching grant where such a condition was imposed

by the U.G.C. with the result that such schemes could not be taken up for implementation.

The U.G.C. gives developmental grants for five years after which it becomes committed expenditure to be borne by the State Government or the university. The university, however, has not received any help from the State Government for this purpose in respect of second plan schemes and consequently a heavy liability is devolved on the university. As regards the third Five Year Plan schemes, the State Government was approached to undertake the financial responsibility to meet the committed expenditure after the assistance from the U.G.C. ceases to be available, but the State Government has not yet assured the University on this score. The schemes, therefore, have not been taken up for implementation as the university authorities are hesitant to undertake so much liability to meet out of its own resources.

The university agrees with the suggestion that there should be two types of grants - one for maintenance and the other for development and the quantum of grant should be reviewed every five years coinciding with the commencement of the successive Five Year Plans and also there is need for expeditious disposal of developmental proposals if there is a tripartite consultation machinery consisting of representatives of the university, the U.G.C. and the State Government.

53. Jadavpur University

For certain existing schemes, the State Government grants 100 per cent assistance and for certain other schemes, they grant matching share with the U.G.C. The existing principle for grant-in-aid by the State Government is more elastic than the suggestion made by the Education Commission.

54. Rabindra Bharati University

The requirements of the university are communicated in time to the State Government for inclusion in the State budget. Subsequently the university requests for release of funds in two instalments. The main difficulty of the university is that even the sanctioned funds do not flow as a matter of course. It is desirable that the available grant is divided into committed expenditure and new expenditure. In respect of committed expenditure funds should flow as a matter of course in two six-monthly instalments. For new expenditure the State Government may first scrutinise the proposals before releasing the funds. The university agrees that there should be two types of grants - one for maintenance and the other for development and the quantum of committed expenditure should be reviewed every five years coinciding with the commencement of successive Five Year Plans. For better performance it may be worthwhile to consider setting up State University Grants Commissions in all States. They will be in a better position to act as the link between the State Government and the university rather than the present body like the U.G.C. The Central body can

look-after the Central universities having all-India coverage and implication. It may place a part of its funds at the disposal of the State Grants Commission who would distribute it among the universities within their jurisdiction.

Delhi

55. Delhi School of International Studies

The Institution is not receiving any grant-in-aid from the State Administration or State Government, but various State Governments have instituted certain scholarships for studies at this school. The school, however, experiences some practical difficulties in regard to the receipt of scholarship amount from the State Government. Except in the case of Punjab and West Bengal in all other cases monthly/quarterly bills are required to be forwarded to the Directors of Education concerned who after counter-signatures forward these bills to the A.Gs. concerned. The A.Gs. pass them on to the Treasuries concerned or the reserve Bank for actual payment through bank draft. This process is taking quite a long time and the State Government scholarship-holders are finding it extremely difficult because of long delay in getting payment. It would, therefore be better if such of the State Governments which have instituted scholarships sent to the Institute direct money in advance for one academic year at a time and the school will make payments in accordance with the rules approved by the State Government.

APPENDIX

Questionnaire regarding Grants-in-aid
from the State Governments to Universities

1. (a) What is the present system of Grant-in-Aid from the State Government to your University?
- (b) What are the difficulties or other practical problems that you experience in the present system?
- (c) What changes would you recommend in the existing system of grants-in-aid from the State Government to Universities, especially with reference to the practical difficulties you are facing at present?

2. (a) For developmental expenditure, your University must be receiving grants from the U.G.C. Please enclose a statement of the quantum of grants received from the U.G.C. during the last four years in the following table:-

Statement of grants (non-recurring and recurring)
received from the U.G.C. (1961-62 to 1964-65)

<u>Purpose for which grant was sanctioned</u>	<u>Amount of grant-in-aid</u>		
	<u>Recurring</u>	<u>Non- recurring</u>	<u>Total</u>

- (b) Do you experience any difficulties in obtaining grants from the U.G.C. at present? If so, what are these difficulties and how would you propose to surmount them?
3. Are you able to get the State's contribution on the U.G.C. grants without any difficulty? If not, what are the problems and difficulties you experience at present? How would you propose to overcome them?

It has been suggested to the Commission that grants-in-aid from the State Governments to the Universities should be governed by the following principles :

- (a) the State grants to Universities should be of two types: (i) grants for committed expenditure and (ii) grants for developmental expenditure;
- (b) The grant for committed expenditure should be given as a grant which should be revised every five years coinciding with each Five-Year Plan. One year before a plan is over, the State Government should negotiate the matter with each University and, after examining the quantum of the committed expenditure of the University at the end of the plan period and after making due allowance for the normal increase during the next plan period, a bloc grant should be fixed to cover all the committed expenditure of the University. If this is done in good time, it will be possible for the State Government to submit these proposals to the Finance Commission and claim assistance thereon from the Centre.
- (c) During the plan period, the developmental grant would normally come through the U.G.C. The State's share on these grants should be made available without difficulty. A quick and speedy machinery should be devised for tripartite consultations on the subject between the U.G.C., the State Government and the University.

What are your comments on the above proposal?
